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 Office Memorandum • UNITED STATES GOVERNMENT

TO : Acting Chief, Organization and Methods Service DATE: 17 March 1952

FROM : 25X1A

SUBJECT: Memorandum to Chief of General Services from Chief, Administrative Service, dated 10 March 1952.

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- A. Mr. principle criticisms of the recommended transfer of the functions of Shipping Branch to Procurement Office as they appeared in the paper "Survey of Shipping and Procurement Procedures" and this paper's comments thereon appear below:

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1. Mr. states that handling of transportation functions by Procurement Office in relation to G-4 was "improperly performed without consulting with the Chief, Administrative Service".

Comment: G-4 asked Procurement Office to put "markings" in a complete package (in the Letter Order). Experience of Procurement Office has shown that the majority of established markings can be assigned without this extra step.

It is the impression of the Chief, Administrative Service, that the Army system is based on the functional separation of transportation and procurement.

Comments: Most organizations place responsibility for shipping and procurement under a single administrative head, which in the case of the Department of the Army is G-4, or "A.C.S., Logistics" and in the case of the Air Force is A-4, or "D.C.S., Material". Proposal for CIA is very similar to the systems used by Army and Air Force.

- a. G-4 is responsible for both shipping and procurement, as is proposed for CIA.
- b. G-4 considers Transportation Corps., Ordnance, Engineering, etc., as Technical Services. These Technical Services (procurement and shipping functions) are recognizable as individual units. This will be true under the proposed transfer of Shipping Branch in CIA.
- c. OSD, under G-4, works as a monitoring unit over the Technical Services. Control Section would occupy this position under recommendations for CIA.

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3. [] suggests that projection of tonnages with respect to transportation to be furnished by the Department of the Army is not a problem with which the Procurement Office will be concerned.

Comment: Increased [] shipments will require projections to Department of the Army and will account for the majority of tonnages over the next two years. These projections are vital if material is to be held for large quantity shipments. Projections are also important for planning of overseas warehousing space. Finally, the possibility of a "hotter" international situation, which would severely tighten available shipping space, cannot be ignored.

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4. It was stated that the "function of Procurement Office in relation to Department of the Army is primarily a paper transaction in which Army takes 99 per cent of the action..."

Comment: Inspection at depots, time factor, movement [] requires close coordination between Army and Procurement Office. Every day calls are exchanged between G-4, Procurement Office, and the Operating Offices in respect to such matters as priorities.

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5. The subject paper states that it is unlikely the Agency will ever have requirements that would warrant contracting for entire "bottoms".

Comments: Shipments [] will total at least 56,700 tons over the next 18 months. Material on hand, requisitioned, and for which funds are available, and which will be shipped over the next two years total about 86,000 tons. Proposals presently before PRC total another 86,000 tons. The magnitude of these programs cannot be dismissed as being insufficient to contract for entire "bottoms".

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B. Conclusions:

It has not been concluded that the present separation of responsibility has resulted in mismanagement. Rather, it is the conclusion of this paper that even greater efficiency and security for the Agency's program would be gained because of the following advantages:

1. Elimination of duplicate records.

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2. One contact point.
3. Tonnage projections.
4. Continuity of logistical support (procurement, storage, issue, packing, shipping, and property accountability).
5. One Office responsible for completed action.
6. A control point to follow-up both procurement and shipping.

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